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May 19, 2008

The Honorable Joseph J. Farnan, Jr.
United States District Court
For the District of Delaware
844 North King Street
Wilmington, DE 19801

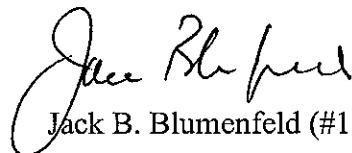
VIA ELECTRONIC FILING

Re: *Codon Devices, Inc., et al. v. Blue Heron Biotechnology, Inc.*
C.A. No. 07-148 (JJF)

Dear Judge Farnan:

I am writing to advise the Court that the parties have entered into an agreement to settle this action. Under the terms of that agreement, the parties expect to file a stipulation of dismissal at the end of September of this year. If Your Honor has any questions, counsel are of course available at the Court's convenience.

Respectfully,


Jack B. Blumenfeld (#1014)

JBB/dlb

cc: Clerk of Court (Via Hand Delivery)
Richard L. Horwitz, Esquire (Via Hand Delivery and Electronic Mail)
M. Patricia Thayer, Esquire (Via Electronic Mail)
Edward R. Reines, Esquire (Via Electronic Mail)